

**INVITATION TO PURCHASE STATE LAND  
AT PUBLIC ORAL AUCTION  
October 24, 2007**

On behalf of the Montana Department of Military Affairs (DMA), the Department of Natural Resources and Conservation (DNRC), Trust Land Management Division, offers a parcel of land in Missoula County for sale at public oral auction. Information and bid packet are available on the DNRC website at: <http://dnrc.mt.gov/trust/nontruststateland>. Contact Candace Durran for more information at 406-444-2883, or by email at [cdurran@mt.gov](mailto:cdurran@mt.gov), or at DNRC Real Estate Management Bureau, PO Box 201601, Helena, MT 59620-1601.

**PROPERTY DESCRIPTION**

The Missoula Readiness Center located at 2501 S. Reserve St., Missoula, MT, further described as:

A tract of land, situated in the NE-1/4 NE- 1/4 of Section 31, Township 13 North, Range 19 West, Principal Meridian Montana, and more particularly described as follows:

Commencing at the Southwest corner of Tract No. 1 Fort Missoula Addition No.1, a platted subdivision of Missoula County, Montana; thence N. 89° 25' 30" E., 149.96 feet to an intersection with the southeasterly right of way of Fort Road, which is the point of beginning; thence N. 57° 11'E., along the Southeasterly boundary of said Fort Road 1010.2 feet to an intersection with the West right-of-way of Reserve Street; thence S. 00° 11' 30 E., along said West right-of-way 538.9 feet to an intersection with the North right-of-way of Dearborn Avenue; thence S. 89° 25' 30" W. along said North right-of-way 850.0 feet to the point of beginning, containing 5.3 acres more or less.

**APPRAISED VALUE/MINIMUM OFFER**

The minimum bid of the property has been established by the Land Board as determined by an appraisal and will be used as the **minimum** acceptable bid under the terms and conditions provided herein. The property will not be sold for less than the minimum bid.

**The minimum bid is \$3, 500,000.00.**

**REAL PROPERTY TAXES**

The State of Montana is exempt from paying real property taxes. The purchaser will be responsible for future real property taxes from the date of closing.

## **TERMS AND CONDITIONS OF SALE**

### **AUCTION DATE, TIME, AND LOCATION -**

- October 24, 2007 10:00 a.m.
- Missoula County Courthouse, 200 West Broadway, Missoula, MT.

### **SPECIAL CONDITION OF SALE -**

Sale is subject to the terms and conditions of the Lease Agreement contained in the bid package.

**TERMS** - Cash, ten percent (10%) earnest money deposit paid at the close of the auction will be applied to the purchase price. The entire balance of the purchase price must be paid in full at the time of closing. DNRC will set a closing date that is mutually agreeable to the purchaser and DNRC. Closing must be within 30 days of the auction.

### **OFFEROR QUALIFICATIONS -**

- a. Persons must be at least 18 years of age in order to participate in the auction; and,
- b. Bids made by public employees must be in compliance with Standards of Conduct set forth in Title 2, Chapter 2, MCA.
- c. Pursuant to 77-1-113, MCA, State employees may be disqualified from participation in the auction.

**SUBMITTING THE BID DEPOSIT** - A bid deposit in the amount of One Thousand (\$1000.00) Dollars is required in the form of a cashier's check or other certified funds, made payable to the Department of Natural Resources & Conservation. **Do Not Send a Personal Check.** Each Offer to Purchase and Bid Deposit Receipt must be made on the attached **OFFER TO PURCHASE AND BID DEPOSIT RECEIPT** form and must be received by **Candace Durran at MT DNRC, P.O. Box 201601 Helena, Montana 59620-1601 on or before 5:00 p.m., October 19, 2007** to be considered. Offer to Purchase and Bid Deposit Receipt forms that are not signed and dated will be disqualified. Offers submitted without sufficient deposit will be disqualified.

**DEADLINE** - **Offer to Purchase and Bid Deposit Receipt and bid deposit of \$1000.00** must be received by DNRC by 5:00 p.m. on October 19, 2007 (Offer Closing Date). All parties submitting a deposit are responsible for ensuring that their deposit is received by the Offer Closing Date. Deposits received after the Offer Closing Date will not be considered.

**AUCTION PARTICIPANTS** - Only those individuals submitting an Offer to Purchase and Bid Deposit Receipt and a bid deposit of \$1000.00 will be allowed to participate in the auction.

**FORFEITURE OF BID DEPOSIT** - A qualified bid participant(s) or designated representative(s) who fails to attend the bid auction for reasons other than good cause, as may be determined and approved by DNRC **in writing, prior to the auction date**; and/or who, in the event no other bids are received, fails to pay the minimum bid amount under terms and conditions contained herein, shall at the discretion of DNRC, be deemed to have forfeited the bid deposit to the State of Montana.

**DISQUALIFICATION** - Any of the following may, at DNRC's sole discretion, disqualify a participant at the auction, if the:

- a. Offer to Purchase and Bid Deposit Receipt is received without sufficient deposit amount.
- b. Offer to Purchase and Bid Deposit Receipt is not completed in full, signed and dated.
- c. Offer to Purchase and Bid Deposit Receipt is received after 5:00 p.m. on October 19, 2007.

**SALE PROCEDURE** - On the day of sale:

- a. Bidding will open at the minimum bid amount. Bid raises will only be accepted in increments of not less than \$50,000 until the property is sold to the highest bidder, who will be deemed to be the purchaser of the property.
- b. **Earnest Money Deposit.** An earnest money deposit in the amount of **TEN PERCENT (10%)** of the high bid amount (rounded up to the nearest multiple of \$25) must be submitted to DNRC by the high bidder (purchaser) immediately following the auction and be **in the form** of a **Cashier's Check, Money Order**, or other certified funds made payable to the **Department of Natural Resources and Conservation** or **DNRC. DO NOT BRING CASH!** The bid deposit from the purchaser shall be applied toward the purchase price of the property.
- c. DNRC will set a closing date that is mutually agreeable to both parties provided that such date shall be within thirty (30) days of the sale. The balance of the purchase price of the property and any closing costs must be paid in full at closing made payable to DNRC in the form of a cashier's check or other certified funds.

**FORFEITURE OF EARNEST MONEY DEPOSIT** - In the event that the purchaser fails to meet any or all of the terms and conditions contained in the bid package documents, all monies which have been collected and credited toward the purchase price may be retained as liquidated damages and not as a penalty, and DNRC shall be free to accept the second high bidder as purchaser.

**CLOSING COSTS** - The purchaser shall be responsible for paying all closing costs. Closing costs may include, but are not limited to, recording fees, escrow fees, fees related to verification of deposit and credit, and administrative fees.

**TITLE INSURANCE** – The State of Montana does not warrant title to this property. Title shall be delivered at the time of closing by Grant Deed. Title insurance, if desired, will be the responsibility the purchaser. A copy of the deed between Missoula County and the State of Montana is available on the website. No representation of title accuracy is made by the State of Montana, and title investigation is the sole responsibility of the bidders.

**LAND STATUS REPORT**- A Land Status Report is provided as part of this bid package for informational purposes only. The Land Status Report does not warrant title to the property.

**CONVEYANCE** - The parcel shall be conveyed by Grant Deed and shall be fully subject to all encumbrances, including but not limited to patents, easements, conditions, taxes, assessments, zoning regulations, rights-of-way, exceptions and restrictions of record, and reservations of oil, petroleum, gas, coal, ore, minerals, fissionable materials, geothermal resources, fossils or other rights (gaseous, liquid and solid) in and under the property. DNRC will send a copy of the deed to the Missoula County Clerk & Recorder for recordation. The recorded deed will be sent by the county to the purchaser.

**PARCEL INSPECTION** - Interested parties are strongly urged to do an on-site inspection of the parcel and buildings prior to submitting an Offer to Purchase. It is also recommended that offerors inspect all public records pertaining to these properties.

**WARRANTIES** - Purchaser assumes all responsibility and liability for the property, buildings, and any contents (i.e., asbestos, hazard mitigation, etc.). It is the purchaser's responsibility to examine the property and take such other steps as may be necessary to ascertain the exact character and location of the property and improvements. Purchaser assumes all responsibility and liability to comply with applicable law. In addition, DNRC makes no warranties, either express or implied, nor assumes or retains any liability whatsoever, regarding the social, economic, safety, human health, or environmental aspects of the property, to include, without limitation, the soil conditions, water drainage, physical access, environmental mitigation, natural or artificial hazards which may or may not exist, or the merchantability, suitability or profitability of the property for any use or purpose. **This property is offered "AS IS".**

**CONDITIONS** - DNRC reserves the right to postpone or cancel this offering, in whole or in part, to change the minimum price of the parcel, or to withdraw parcel from this sale at any time prior to the sale, without notice. DNRC shall not be liable for any expenses incurred by any parties participating in this sale as a

result of, but not limited to, a change in the minimum price, or withdrawal of the parcel from sale. The right is reserved to waive technical defects in the bid package.

Insure form is completely filled out, signed, and notarized prior to submittal.

**STATE OF MONTANA LAND SALE  
OFFER TO PURCHASE AND BID DEPOSIT RECEIPT**

The undersigned Potential Bidder (hereinafter called "Bidder"):

\_\_\_\_\_  
Bidder (s)

offers to purchase from the State of Montana, by and through the State Board of Land Commissioners and the Montana Department of Military Affairs (hereafter referred to as "Seller") the real property described below upon the terms and conditions set forth herein should the Bidder's offer be accepted by the Seller.

as ☐ joint tenants with rights of a survivorship, ☐ tenants in common, ☐ single in his/her own right, ☐ other \_\_\_\_\_ offers to purchase the following described real property (hereinafter referred to as "Property") commonly known as **2501 South Reserve St., Missoula, MT**, and further described as:

A tract of land, situated in the NE-1/4 NE- 1/4 of Section 31, Township 13 North, Range 19 West, Principal Meridian Montana, and more particularly described as follows:

Commencing at the Southwest corner of Tract No. 1 Fort Missoula Addition No.1, a platted subdivision of Missoula County, Montana; thence N. 89° 25' 30" E., 149.96 feet to an intersection with the southeasterly right of way of Fort Road, which is the point of beginning; thence N. 57° 11'E., along the Southeasterly boundary of said Fort Road 1010.2 feet to an intersection with the West right-of-way of Reserve Street; thence S. 00° 11' 30 E., along said West right-of-way 538.9 feet to an intersection with the North right-of-way of Dearborn Avenue; thence S. 89° 25' 30" W. along said North right-of-way 850.0 feet to the point of beginning, encompassing 5.3 acres more or less.

Should the Seller accept the bid of the above-described Bidder for the purchase of the above-described real property, the Seller and the Bidder, hereby agree that:

1. On or before 30 days after the auction, Bidder shall pay any balance owed on the purchase price in accordance with §77-2-329, MCA, and any closing costs associated with the sale. Receipt by the Seller of the full balance owed constitutes the effective date of sale. If payment is not made in accordance with §77-2-329, MCA, Bidder forfeits their bid deposit, which is being held by the Seller.
  2. Bidder shall be responsible for making any and all payments to Missoula County for taxes and/or assessments, if any, levied against the property for the current tax year.
  3. The Buyer represents that he/she is eighteen (18) years of age or older, of sound mind, and legally competent to own or transfer real property in the State of Montana; and, if acting on behalf of a corporation, partnership, or other non-human entity, that he/she is duly authorized to enter into this Agreement on behalf of such entity.
  4. The department shall retain the bid deposit of the successful bidder, which will be applied toward the purchase price. The department shall return the bid deposits of all unsuccessful bidders within ten business days following the auction.
  5. State retains any/all access easements for itself across the parcel unless specifically stated otherwise.
  6. Purchaser assumes all responsibility and liability for the property, buildings, and any contents (i.e., asbestos, hazard mitigation, etc.). It is the purchaser's responsibility to examine the property and take such other steps as may be necessary to ascertain the exact character and location of the property and improvements. Purchaser assumes all responsibility and liability to comply with applicable law. In addition, DNRC makes no warranties, either express or implied, nor assumes or retains any liability whatsoever, regarding the social, economic, safety, human health, or environmental aspects of the property, to include, without limitation, the soil conditions, water drainage, physical access, environmental mitigation, natural or artificial hazards which may or may not exist, or the merchantability, suitability or profitability of the property for any use or purpose. **This property is offered "AS IS".**
  7. Conditions of title may change before the auction. At the auction, if title conditions have changed, bidders will be provided with an updated Land Status Report and the parcel will be sold subject to the updated Report.
  8. Where no bids are received at auction **due to changes in terms, conditions, or an increase in the minimum bid**, each bid deposit shall be returned to the bidder who submitted it to the department.
  9. The Terms of Sale, Invitation to Purchase, Lease Agreement, and the Land Status Report are incorporated into this purchase agreement by reference herein.
- Other Conditions: Any restrictions to the property as per the Land Status Report.

Insure form is completely filled out, signed, and notarized prior to submittal.

The Bidder hereby verifies that they have read and understood the provisions of this agreement.

Bidder

Tax ID Number

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Date \_\_\_\_\_

Bidder

Tax ID Number

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Date \_\_\_\_\_

Amount of Bid Deposit Enclosed \$ \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

\_\_\_\_\_ (Signature)

\_\_\_\_\_ (Printed name)

Notary Public for the State of \_\_\_\_\_

Residing at \_\_\_\_\_ (City)

My commission expires \_\_\_\_\_

(Month, Day, Year)

Randall D. Mosley, Adjutant General  
Department of Military Affairs

Date \_\_\_\_\_

## **TERMS AND CONDITIONS OF SALE**

### **AUCTION DATE, TIME, AND LOCATION -**

- October 24, 2007 10:00 a.m.
- Missoula County Courthouse, 200 West Broadway, Missoula, MT.

### **SPECIAL CONDITION OF SALE -**

Sale is subject to the terms and conditions of the Lease Agreement contained in the bid package.

**TERMS** - Cash, ten percent (10%) earnest money deposit paid at the close of the auction will be applied to the purchase price. The entire balance of the purchase price must be paid in full at the time of closing. DNRC will set a closing date that is mutually agreeable to the purchaser and DNRC. Closing must be within 30 days of the auction.

### **OFFEROR QUALIFICATIONS -**

- a. Persons must be at least 18 years of age in order to participate in the auction; and,
- b. Bids made by public employees must be in compliance with Standards of Conduct set forth in Title 2, Chapter 2, MCA.
- c. Pursuant to 77-1-113, MCA, State employees may be disqualified from participation in the auction.

**SUBMITTING THE BID DEPOSIT** - A bid deposit in the amount of One Thousand (\$1000.00) Dollars is required in the form of a cashier's check or other certified funds, made payable to the Department of Natural Resources & Conservation. **Do Not Send a Personal Check.** Each Offer to Purchase and Bid Deposit Receipt must be made on the attached **OFFER TO PURCHASE AND BID DEPOSIT RECEIPT** form and must be received by **Candace Durran** at MT DNRC, P.O. Box 201601 Helena, Montana 59620-1601 on or before **5:00 p.m., October 19, 2007** to be considered. Offer to Purchase and Bid Deposit Receipt forms that are not signed and dated will be disqualified. Offers submitted without sufficient deposit will be disqualified.

**DEADLINE** - Offer to Purchase and Bid Deposit Receipt and bid deposit of **\$1000.00** must be received by DNRC by 5:00 p.m. on October 19, 2007 (Offer Closing Date). All parties submitting a deposit are responsible for ensuring that their deposit is received by the Offer Closing Date. Deposits received after the Offer Closing Date will not be considered.



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**FORFEITURE OF BID DEPOSIT** - A qualified bid participant(s) or designated representative(s) who fails to attend the bid auction for reasons other than good cause, as may be determined and approved by DNRC **in writing, prior to the auction date**; and/or who, in the event no other bids are received, fails to pay the minimum bid amount under terms and conditions contained herein, shall at the discretion of DNRC, be deemed to have forfeited the bid deposit to the State of Montana.

**DISQUALIFICATION** - Any of the following may, at DNRC's sole discretion, disqualify a participant at the auction, if the:

- a. Offer to Purchase and Bid Deposit Receipt is received without sufficient deposit amount.
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**SALE PROCEDURE** - On the day of sale:

- a. Bidding will open at the minimum bid amount. Bid raises will only be accepted in increments of not less than \$50,000 until the property is sold to the highest bidder, who will be deemed to be the purchaser of the property.
- b. **Earnest Money Deposit.** An earnest money deposit in the amount of **TEN PERCENT (10%)** of the high bid amount (rounded up to the nearest multiple of \$25) must be submitted to DNRC by the high bidder (purchaser) immediately following the auction and be **in the form of a Cashier's Check, Money Order, or other certified funds made payable to the Department of Natural Resources and Conservation or DNRC. DO NOT BRING CASH!** The bid deposit from the purchaser shall be applied toward the purchase price of the property.
- c. DNRC will set a closing date that is mutually agreeable to both parties provided that such date shall be within thirty (30) days of the sale. The balance of the purchase price of the property and any closing costs must be paid in full at closing made payable to DNRC in the form of a cashier's check or other certified funds.

**FORFEITURE OF EARNEST MONEY DEPOSIT** - In the event that the purchaser fails to meet any or all of the terms and conditions contained in the bid package documents, all monies which have been collected and credited toward the purchase price may be retained as liquidated damages and not as a penalty, and DNRC shall be free to accept the second high bidder as purchaser.

**CLOSING COSTS** - The purchaser shall be responsible for paying all closing costs. Closing costs may include, but are not limited to, recording fees, escrow fees, fees related to verification of deposit and credit, and administrative fees.

**TITLE INSURANCE** – The State of Montana does not warrant title to this property. Title shall be delivered at the time of closing by Grant Deed. Title insurance, if desired, will be the responsibility of the purchaser. A copy of the deed between Missoula County and the State of Montana is available on the website. No representation of title accuracy is made by the State of Montana, and title investigation is the sole responsibility of the bidders.

**LAND STATUS REPORT**- A Land Status Report is provided as part of this bid package for informational purposes only. The Land Status Report does not warrant title to the property.

**CONVEYANCE** - The parcel shall be conveyed by Grant Deed and shall be fully subject to all encumbrances, including but not limited to patents, easements, conditions, taxes, assessments, zoning regulations, rights-of-way, exceptions and restrictions of record, and reservations of oil, petroleum, gas, coal, ore, minerals, fissionable materials, geothermal resources, fossils or other rights (gaseous, liquid and solid) in and under the property. DNRC will send a copy of the deed to the Missoula County Clerk & Recorder for recordation. The recorded deed will be sent by the county to the purchaser.

**PARCEL INSPECTION** - Interested parties are strongly urged to do an on-site inspection of the parcel and buildings prior to submitting an Offer to Purchase. It is also recommended that offerors inspect all public records pertaining to these properties.

**WARRANTIES** - Purchaser assumes all responsibility and liability for the property, buildings, and any contents (i.e., asbestos, hazard mitigation, etc.). It is the purchaser's responsibility to examine the property and take such other steps as may be necessary to ascertain the exact character and location of the property and improvements. Purchaser assumes all responsibility and liability to comply with applicable law. In addition, DNRC makes no warranties, either express or implied, nor assumes or retains any liability whatsoever, regarding the social, economic, safety, human health, or environmental aspects of the property, to include, without limitation, the soil conditions, water drainage, physical access, environmental mitigation, natural or artificial hazards which may or may not exist, or the merchantability, suitability or profitability of the property for any use or purpose. **This property is offered "AS IS".**

**CONDITIONS** - DNRC reserves the right to postpone or cancel this offering, in whole or in part, to change the minimum price of the parcel, or to withdraw parcel from this sale at any time prior to the sale, without notice. DNRC shall not be liable for any expenses incurred by any parties participating in this sale as a

result of, but not limited to, a change in the minimum price, or withdrawal of the parcel from sale. The right is reserved to waive technical defects in the bid package.

## GENERAL TERMS AND CONDITIONS OF SALE

### Property, Conveyance and Title Insurance

The terms of sale set forth herein are subject to the provisions of Statutes found in §77-2-301 through 323, Montana Code Annotated.

- The property to be sold is described in the Legal Notice.
- All of the State's interest as lessor or sublessor in any leases, rental, or occupancy agreements covering any portion of the property, and exclusive easements, rights of way, water rights, and other rights used in connection with the property will be conveyed unless the Legal Notice lists rights that will be reserved.
- All property sold is subject to existing easements and encumbrances on file with the County Clerk and Recorder or the Montana Department of Natural Resources and Conservation.
- Those minerals and access rights described in Section 77-2-304, MCA, are reserved from sale.
- All property is sold subject to all assessments unpaid at time of sale.
- All property is sold "**AS IS**", without any warranty of title. Bidders are encouraged to examine the property offered for sale to ascertain for themselves the condition of the property, and the existence, if any, of encumbrances, encroachments, etc. The State does not make, and specifically disclaims any warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose, about property offered for sale, including, but not limited to any improvements located thereon, and no employee or agent of the State is authorized to provide any such warranty. Additionally, without limitation, the State does not warrant the existence or nonexistence of any pollutants, contaminants, or hazardous waste prohibited by law or claims based thereon arising out of the actual or threatened discharge, release, disposal, seepage, migration, or escape of such substances at, from, or into any State land offered for sale. Purchaser shall fully release the State from any and all liability to the Purchaser arising out of or related to the condition of the property prior to closing. Purchaser shall indemnify, defend, and hold harmless the State with respect to, but not limited to any claims, damages, liabilities, penalties (civil and criminal), and any other costs, including attorney's fees and costs imposed or related to any hazardous, toxic, dangerous, or harmful substances on the property, deposited or released after the title to the property has been conveyed to the Purchaser.
- The State conveys title by Patent, grant deed, or quitclaim deed as determined by the Department, and executed by the Governor of the State of Montana. The State shall arrange for the appropriate deed to be executed by the Governor upon final approval of the sale by the Board of Land Commissioners and confirmation that the State Treasurer has received the full purchase price and other payments required of the Purchaser.
- The State does not furnish title insurance.
- Closing shall occur at the Department's Helena office.
- Purchaser must also execute any other documents necessary to consummate sale as provided herein.

### Purchase Price and Payment

- The purchase price consists of the amount of the winning bid, which will be at or above the appraised fair market value and other charges as per the Real Property Sales Notice applicable to this sale.
- Full payment of the purchase price shall be made in the form and within the time specified in the Legal Notice.

### **Destruction or Condemnation**

- If on or before the date set for full payment of the purchase price, the property is either materially damaged, or condemnation proceedings are commenced with respect to the property, the Purchaser shall have the right, at its sole election, by giving notice to the State prior to the date of payment, either to terminate the purchase or to purchase the property. If Purchaser elects to terminate the purchase, the bid deposit will be returned to the Purchaser and all rights and obligations of the Purchaser and State under the public auction shall terminate.
- Should the Purchaser purchase the property, the Purchaser shall have the right to receive Condemnation awards payable by reason of the damage or condemnation occurring prior to sale. Should the Purchaser elect to terminate the purchase, the State shall retain all such Condemnation awards.

### **Notices**

- Any notices given by State to the successful bidder shall be in writing and shall be deemed given upon personal service or deposit in the United States first class mail, postage prepaid, addressed to the bidder at the last address furnished by him or her in writing.

### **Prorations**

- The State will prorate all irrigation, water, sewer, utility, maintenance or other expenses with respect to the operation of State property between the Purchaser and the State as of the date of execution of the deed to the property by the Governor, or as of the date on which the department executes the real estate contract for the sale of the property, as the case may be. Prorations are due and payable at the same time as the full payment of the purchase price.

### **Real Estate Commissions**

- Real estate commissions are paid at the discretion of the Director. Only those parcels for which a commission is published are eligible for a commission. For all other sales, the real estate agent or broker acting in connection with a sale shall be deemed to be the sole agent of the Purchaser, and the Purchaser shall pay any real estate commission payable in connection therewith.

### **Assignment**

- No purchaser of State land may assign its purchase rights without the prior written consent and acceptance by the State, which consent and acceptance the State may withhold in its sole and absolute discretion.

### **Possession**

The Purchaser of State land is entitled to possession upon execution of the deed by the Governor, subject to any existing leases and rights of persons in possession of the property, unless otherwise noted in the Legal Notice. All property is sold subject to settlement with the lessee for improvements (if any) to the land as required by Sections 77-6-302 through 306, Montana Code Annotated.

**Miscellaneous**

- Venue for any disputes involving auction sales shall be in Lewis and Clark County.
- The Purchaser's representations, warranties, and obligations shall be operative on and after any conveyance of the Property, and shall not be deemed to have merged with any deed, or be extinguished as a result of the conveyance.

MISSOULA

REC. 04/10/1975 B. 67, B. 521

37898

not ✓

GRANT DEED

IN CONSIDERATION of the covenants and conditions herein contained, the County of Missoula, a political subdivision of the State of Montana, does hereby grant to the State of Montana, the following described parcel of land located in Missoula County, Montana, to-wit:

- \*A tract of land, situated in the NE-1/4 NE-1/4 of Section 31, Township 13 North, Range 19 West, Principal Meridian Montana, and more particularly described as follows:

Commencing at the Southwest corner of Tract No. 1 Fort Missoula Addition No. 1, a platted subdivision of Missoula County, Montana; thence N.89°25'30"E., 149.96 feet to an intersection with the Southeasterly right of way of Fort Road, which is the point of beginning; thence N.57°11'E., along the Southeasterly boundary of said Fort Road 1010.2 feet to an intersection with the West right-of-way of Reserve Street; thence S.00°11'30"E. along said West right-of-way 538.9 feet to an intersection with the North right-of-way of Dearborn Avenue; thence S.89°25'30"W. along said North right-of-way 850.8 feet to the point of beginning. Contains 5.3 acres more or less

for the purpose of construction of a national guard armory thereon.

THIS GRANT is subject to the following reversion clause:

In the event that a national guard armory is not constructed on the above described tract of land within five (5) years of the date hereof, said tract shall revert to the County of Missoula.

THIS GRANT IS FURTHER SUBJECT to the following restrictive covenants which are to be binding upon the grantee, its heirs and assigns:

1. The grantee covenants and agrees that the armory structure to be constructed upon the above described tract of land will be made available on a reasonable basis to groups in the Missoula community not connected with the Montana National Guard for use in creating a recreational activity if the structure is not being used for national guard activities at the time.

2. Grantee agrees that the fire lane (formerly Fort Missoula Road) which abuts this property on the north and west shall never be used for access or delivery to the premises nor in any way obstruct it or prevent it from its use as a fire lane.

DATED this 10<sup>th</sup> day of April, 1975.

MISSOULA BOARD OF COUNTY  
COMMISSIONERS

Ludwig G. Brownman  
Chairman

Richard H. Ostergren  
Commissioner

Walter V. Shiloh  
Commissioner

ATTEST:

Karathy L. Head  
Clerk of the Board

STATE OF MONTANA . )  
: ss,  
County of Missoula )

On this 10 day of April, 1975, before me,  
a Notary Public for the State of Montana, personally appeared,  
Ludvig G. Browman, Richard H. Ostergren and Wilfred V. Thibodeau  
known to me to be the Missoula Board of County Commissioners  
and whose names are subscribed to the within instrument, and  
acknowledged to me that they executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and  
affixed my notarial seal the day and year first above written.

Mary Skolaky  
Notary Public for the State of  
Montana. Residing at Missoula,  
Montana. My commission expires  
12-7-75



# **STATE OF MONTANA STANDARD LEASE CONTRACT**

**Last Revised February 2007**

## **1. PARTIES**

This lease #-----is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the Montana Department of Military Affairs located at 1900 Williams Street, Fort Harrison, Montana 59636, hereinafter referred to as the "Department" and \_\_\_\_\_ located at \_\_\_\_\_, Tax ID# \_\_\_\_\_, hereinafter referred to as the "Contractor".

## **2. PURPOSE OF LEASE**

The Department has a need to lease premises in Missoula, Montana, for use as a Montana National Guard Readiness Center, Administration and Training facility.

The Contractor has premises available for lease in Missoula, Montana, suitable for stated purpose. The Contractor and the Department therefore agree as follows:

## **3. PREMISES DESCRIPTION**

The facility being leased was recently purchased from the State and consists of approximately 5.3 acres including a fenced compound, designated parking and landscaped areas with an administrative and general use building, approximately 28,694 square feet, and a separate, detached unheated storage building, approximately 1,500 square feet, and includes the right to use all areas within the leased premise. The premises are located at 2501 Reserve Street, Missoula, Montana.

## **4. TERM OF LEASE**

The term of this lease shall be two (2) years, beginning on \_\_\_\_\_, 200\_\_ and expiring on the \_\_\_\_\_ of \_\_\_\_\_, 20 \_\_, unless earlier terminated as provided in Sections 14, 20 or 22 of this lease.

## **5. CONSIDERATION**

The annual amount of rent the Department shall pay to the Contractor during the 1<sup>st</sup> and 2<sup>nd</sup> year is \$250,000.00, payable in eleven equal monthly installments of \$20,833.33 and one installment of \$20,833.37.

The Department shall make monthly lease payments without the need for a separate invoice from the

Contractor. The lease payments are due on the first business day of the month. Contractor may request payments be made by electronic funds transfer by submitting a completed Standard Form 1199A (Direct Deposit Sign-Up Form) to the Department. Such an election shall remain in force until cancelled by Contractor with 30 day's advance written notice to the Department.

#### **6. RENEWAL OPTION**

The Department shall retain the option to renew this lease for a period of up to twelve (12) additional month(s) in one-month increments upon its expiration with the same terms and provisions as contained in this lease. The renewal rate shall be \$30,000.00 per month. The Department shall notify Contractor of their intent to renew this lease at least ninety (90) days prior to the expiration of the original term of this lease.

All lease renewals are subject to prior approval by the Department of Administration as provided in section 26.

#### **7. UTILITIES AND SERVICES**

The *Department* shall furnish and pay all utilities, **including water, gas, electricity, heat, grounds maintenance, building maintenance, garbage removal, sewer use charges and weed and pest control.**

The Department shall provide all utilities, services, maintenance and repairs necessary to keep the facility operational and maintain the facility in the same condition as at time of sale.

#### **8. PARKING SPACE**

Delete

#### **9. PARKING AREA AND SIDEWALK MAINTENANCE**

Department agrees to keep the parking area and sidewalks in good repair, and remove snow, ice, sand, gravel and debris from the parking area and sidewalks.

#### **10. NOTICE PROTOCOL**

Any notice or demand required or permitted to be given under this lease must be in writing. Written notice shall be deemed given when hand delivered, or when mailed by first class mail, postage prepaid, to the addresses specified in this section.

The Contractor's address for purpose of receiving demand or notice is \_\_\_\_\_.

The Contractor's representative for purposes under this lease is \_\_\_\_\_, telephone (406) \_\_\_\_\_, E mail address if available \_\_\_\_\_.

The Department's address for the purpose of receiving notice is Montana Department of Military Affairs, P O Box 4789, Fort Harrison, MT 59636-4789

The Department's representative for purposes under this lease is LTC Frank C. Little, P.E., MTARNG Construction & Facilities Management Officer telephone (406) 324-3101.

If either party changes its address or contact person, it must notify the other party in writing at the address provided in this section.

#### **11. QUIET ENJOYMENT**

The Department has the right to quiet and peaceful enjoyment and utilization of the leased premises for the term of this lease upon paying the rents as provided and upon Department adherence to performance conditions set forth by and in this lease.

#### **12. INSPECTION**

The Department shall permit upon prior notice, the Contractor or its agent to enter into and upon the premises at all reasonable times to inspect the building.

#### **13. MAINTENANCE OF PREMISES**

The **Department** shall, at its own cost and expense, keep and maintain in good working order and repair during the term of this lease or any extension thereof, the exterior of the premises including the roof, the interior, all fixtures in the building and all plumbing, heating, ventilation, air conditioning, window treatments/blinds and electrical circuits. The **Department**, at its own cost and expense shall be responsible for the replacement of light bulbs, fluorescent tubes and other lighting elements. **Department** would be responsible for maintaining building in same condition as at time transferred to new owner.

**Department** would make repairs necessary to continue operations as National Guard Armory. In the case of any systems failure, would not replace major components but would make repairs sufficient to continue operations.

The **Department** shall notify the Contractor in writing of any damage or need for repair. The **Department** shall make or cause to be made the necessary repairs in a timely manner and provide an itemized statement of repairs made to the Contractor.

#### **14. CASUALTY OR FIRE DAMAGE**

In the event the leased premises becomes twenty-five percent (25%) or more destroyed or made uninhabitable, or if the premises are condemned by a proper authority, this lease may be terminated by the Department.

If the premises are less than twenty-five percent (25%) destroyed or made uninhabitable, the rent shall be reduced by the proportion the premises have been rendered uninhabitable or declared unsafe.

If the premises are not restored, or cannot be restored, and returned to proper condition for use and occupancy within thirty (30) days of the casualty, then either the Contractor or the Department may terminate this lease on ten (10) days written notice to the other party.

Upon written notice of termination under this section, the Contractor shall refund any unearned rent paid by the Department, and the Department shall have no further obligation to the Contractor under this lease. Contractor shall continue to insure the premises until Department's personal property is removed from the premises. The Department shall have 30 days after termination of this lease to remove its property from the premises.

#### **15. ALTERATIONS TO PREMISES**

The Department agrees to make no alteration to the premises without the prior written consent of the Contractor.

#### **16. SIGNS**

Delete

#### **17. HOLD HARMLESS AND INDEMNIFICATION CLAUSE**

The Contractor agrees to protect, defend, and save the Department, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Contractor and/or its agents, employees, representatives, assigns and subcontractors under this

lease.

## **18. INSURANCE SPECIFICATIONS**

### **a. Property**

At its sole cost and expense, the Contractor shall keep the building and all other improvements on the premises insured throughout the term of the agreement against the following hazards:

- Loss or damage by fire and such other risks (not including earthquake damage) in an amount sufficient to permit such insurance to be written at all times on a replacement costs basis. This may be insured against by attachment of standard form extended coverage endorsement to fire insurance policies.
- Loss or damage from leakage or sprinkler systems now or hereafter installed in any building on the premises.
- Loss or damage by explosion of steam boilers, pressure vessels, and oil or gasoline storage tanks, or similar apparatus now or hereafter installed in a building or buildings on the premises.

### **b. General Liability**

- General Liability: the Contractor shall purchase Occurrence coverage with combined single limits of \$1 million per occurrence/\$2 million aggregate per year for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location or the general aggregate limit shall be twice the required occurrence limit. This insurance must be from an insurer licensed to do business in Montana or a domiciliary state and with a Bests rating of no less than A-. The Contractor must provide 30 days written notice to the Department of any material change in coverage including cancellation and that the Department reserves the right to request copies of the Contractors insurance coverage at any time.

The Contractors insurance coverage shall be primary insurance as respects the Department, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Department, its officers, officials, employees, or volunteers shall be excess of the Contractors insurance and shall not contribute with it.

## **19. COMPLIANCE WITH LOCAL, STATE AND FEDERAL LAWS**

The Contractor must comply with all applicable state and federal law. This includes, but is not limited to, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age discrimination Act of 1975, the Americans with Disabilities Act of 1990, PL 101-336, Section 504 of Rehabilitation Act of 1973 **and 18-5-401, MCA et seq. concerning the Blind Enterprise Program's vending facility rules.**

The Contractor agrees to conform to all rules and regulations adopted under the Montana Safety Act and the Act itself. The Contractor further agrees to comply with the ordinances and laws of the City of Missoula, and the State of Montana, affecting the use of the premises and to assume all legal responsibility for any charges or damages for non-observance.

The Contractor agrees to provide the Department of Administration, the Legislative Auditor, the Legislative Fiscal Analyst, or their authorized agents access to any records concerning this lease.

The Contractor agrees to create and retain all records supporting the services rendered or goods delivered for a period of three years after either the completion date of this lease or the conclusion of any claim, litigation or exception relating to this lease taken by the state of Montana or a third party.

## **20. ENVIRONMENTAL HAZARDS**

Delete

## **21. HOLDOVER TENANCY**

In the event the Department holds the premises beyond the terms of this lease, in the absence of a written agreement to the contrary, it shall be deemed a month-to-month tenancy subject to all terms and conditions of this lease. This holdover tenancy may be terminated at any time by either the Contractor or the Department by means of a 30-day written notice delivered prior to the beginning of the final month.

## **22. TERMINATION**

At the expiration or termination of this lease or any extension of it, the Department will vacate and surrender the premises to the Contractor in as good condition and repair as when it took possession, reasonable wear and tear excepted. All property and fixtures placed in the premises by the Department or owned by the State of Montana may be removed by the Department within thirty days of termination.

## **23. SEVERABILITY**

It is understood and agreed by the parties hereto that if any term or provision of this lease is held to be illegal, void or in conflict with any Montana law, the validity of the remaining terms and conditions shall not be affected. The rights and obligations of the parties shall be construed and enforced as if this lease did not contain the particular term, condition, or provision held to be invalid.

**24. VENUE AND INTERPRETATION**

The Contractor and Department agree that this lease shall be governed and interpreted according to the laws of the State of Montana. In the event of a dispute arising over this lease, the proper venue for the hearing of the case is the District Court of the First Judicial District of the State of Montana, in and for the County of Lewis and Clark.

**25. SUCCESSORS**

All rights and liabilities herein given to or imposed upon both parties shall extend to, be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**26. LEASE APPROVAL**

This entire lease, in addition to any change, alteration, or renewal thereof, addendum, amendment, or letter of understanding, is subject to prior approval by the Department of Administration.

**27. ENTIRE LEASE**

This contract consisting of \_\_\_\_\_ ( ) pages, sections 1 through 29 and the attached Janitorial Specifications, contain the entire contract between the Contractor and the Department. Any agreement hereafter made shall not be effective to modify this lease unless it is in writing and signed by both parties and the Department of Administration.

**28. SUBLEASE**

Delete

**29. SMOKE FREE ENVIRONMENT**

**The Contractor shall make the portions of the building occupied by state agencies smoke-free. "Smoke" means smoke from a lighted cigar, cigarette, or pipe or any other lighted tobacco product as defined in MCA 50-40-202.**

**IN WITNESS HEREOF**, all parties have entered into and executed this lease:

PURCHASER (S)

By: \_\_\_\_\_  
(name) Date

By \_\_\_\_\_  
(name) Date

DEPARTMENT

By: \_\_\_\_\_  
(name) Date

**PRIOR APPROVAL BY THE DEPARTMENT OF ADMINISTRATION**

By: \_\_\_\_\_  
(name) Date

**THIS LEASE HAS BEEN APPROVED FOR LEGAL CONTENT BY THE  
DEPARTMENT OF ADMINISTRATION'S LEGAL COUNSEL.**



FORT MISSOULA

ADDITION NO. 1

TRACT NO. 1

FIRE LANE ONLY

5.3 Acres

S 89° 25' 30" W  
850.8'

S 00° 11' 30" E  
538.9'

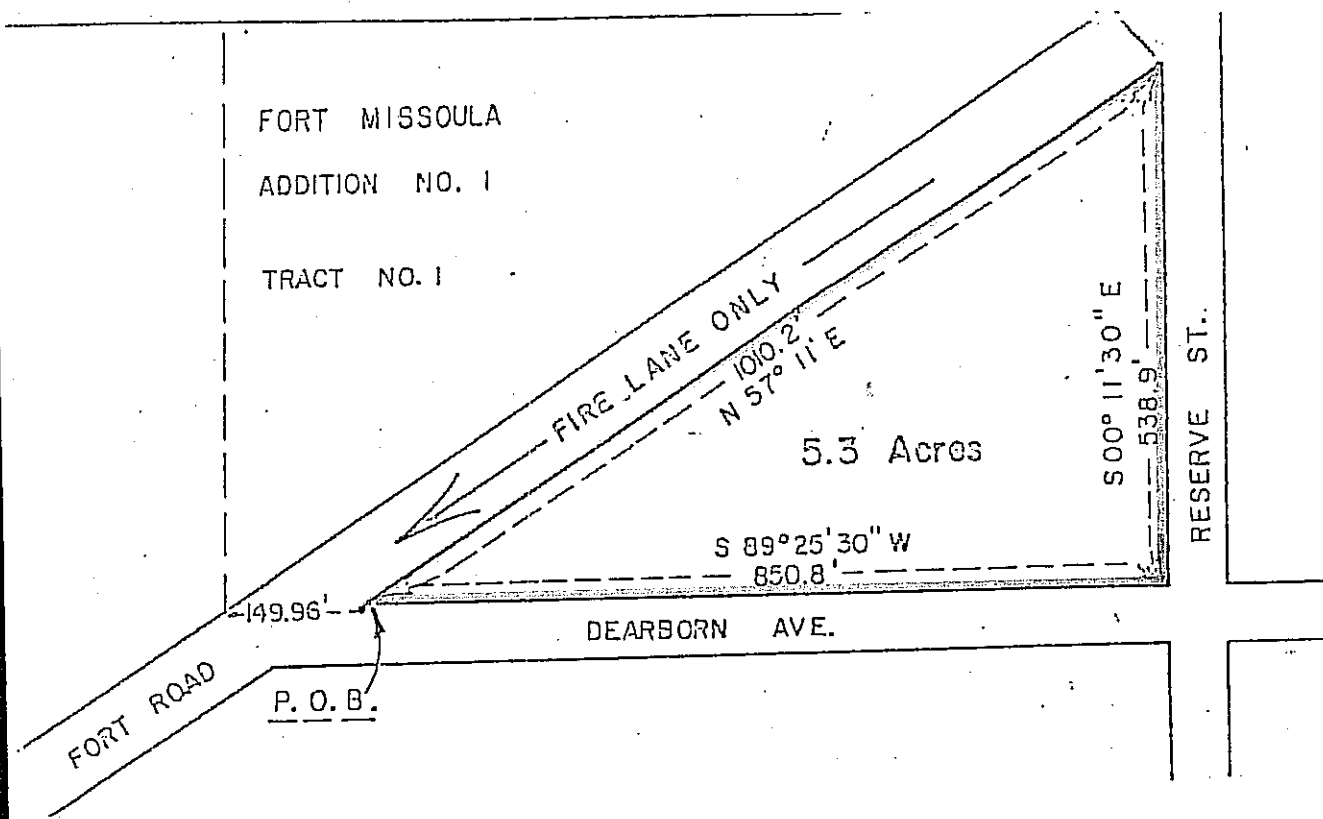
RESERVE ST.

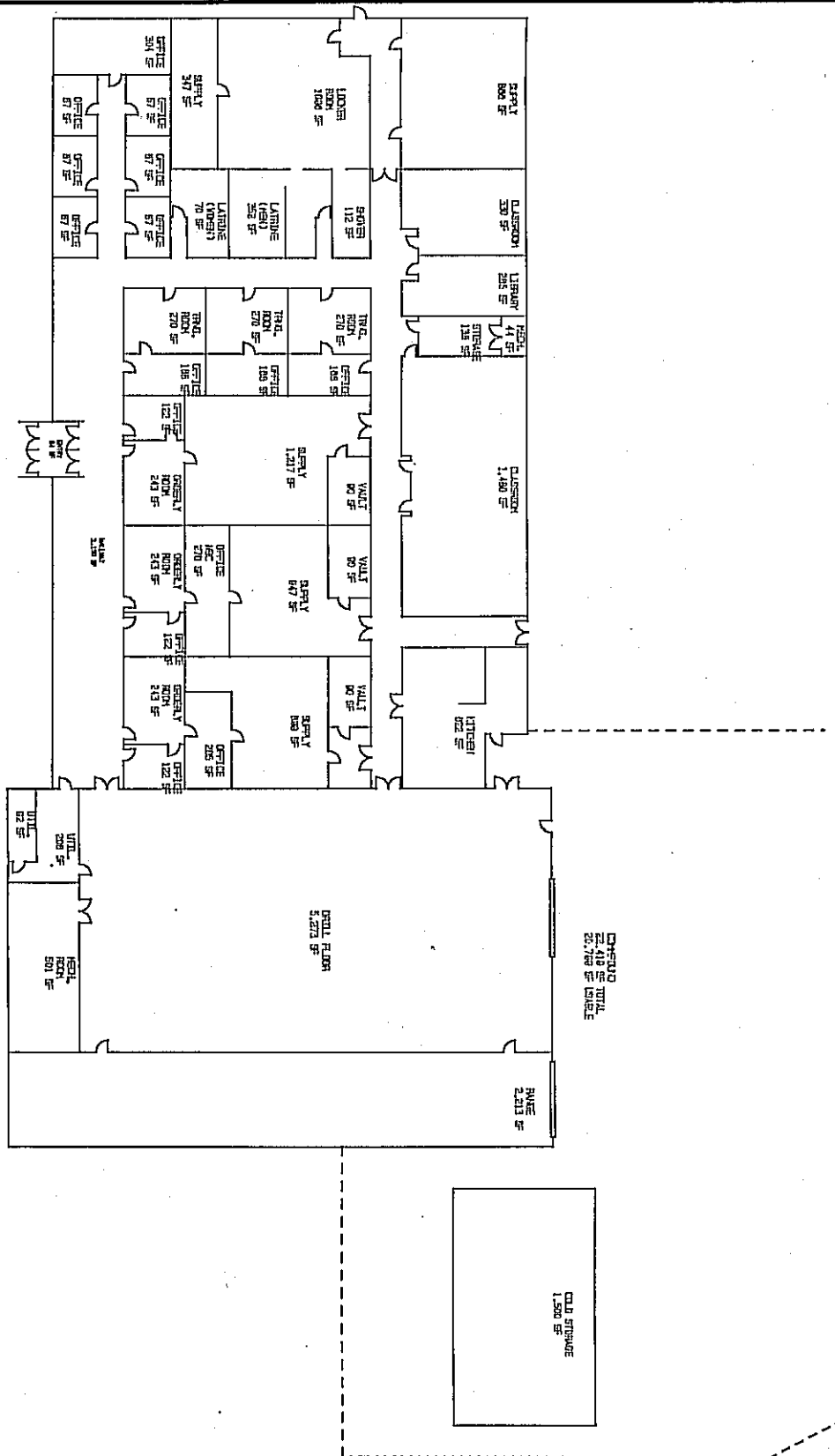
DEARBORN AVE.

149.96'

P. O. B.

FORT ROAD





# AUCTION SALE



**2501 South Reserve Street**  
**Montana National Guard Armory - Missoula**

- Auction Date - October 24, 2007
- Approx. 28,694 sf. Improvements
  - Approx. 5.3 Acres
- Minimum Bid \$ 3,500,000.00

**Call for Details: Jeff L. Moore**  
**728-4000**

**[www.naimissoula.com](http://www.naimissoula.com)**

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